



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 25, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer 

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATUS ON MAY 18, 2010 BOARD MOTION – BRINGING CONTRACTED SERVICES IN-HOUSE TO MITIGATE COUNTY WORKFORCE REDUCTIONS

On May 18, 2010, on motion of Supervisors Ridley-Thomas and Molina, your Board directed the Chief Executive Officer (CEO) to develop a comprehensive list of County health, mental health, and social services currently provided through contractors, which would be impacted by the Governor's May Budget Revision (May Revise). In addition, your Board requested an analysis of bringing the impacted contract services in-house, in the event the May Revise is implemented.

Based on the Board's discussion related to this motion, our Office will report on the feasibility of bringing in-house the continuing contracted services for the purpose of offsetting potential County workforce reductions. To provide the information in a timely manner, we will narrow our review and focus the report on the Departments of Public Social Services (DPSS) and Public Health (DPH) as phase one.

The May Revise included the elimination of the CalWORKs program, an act that would have a devastating effect on children and families in the County who depend on the services this vital program provides. The program's elimination would impact services provided not only by DPSS, but by DPH as well.

Through DPSS, the CalWORKs program currently has contracts to provide participants with employment, training, case management, homeless, and domestic violence services, as well as child care for parents who are working or participating in an education program or other welfare-to-work services. Through contracts administered by DPH's Substance Abuse, Prevention and Control Unit, CalWORKs participants currently receive substance

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abuse assessment, referral, outpatient counseling, crisis intervention, treatment, detoxification, recovery, case management, and residential treatment services. The May Revise would eliminate all of these services.

The May Revise also includes the elimination of the Drug Medi-Cal program in DPH. DPH administers the program on behalf of the State through contracted providers for counseling and recovery services, narcotic treatment, crisis intervention, and referral services to eligible Medi-Cal beneficiaries, including youth and pregnant and postpartum women.

It must be noted that there is little support for these draconian cuts in the legislature. The Senate and Assembly rejected the May Revise proposals to eliminate CalWORKs and the Drug Medi-Cal program. However, in addition to rejecting the Governor's proposal to eliminate the CalWORKs programs, the Assembly has proposed to restore \$300 million for the CalWORKs Single Allocation which funds CalWORKs services. Therefore, this issue is still under consideration by the Budget Conference Committee.

Within 30 days, our Office will provide your Board with an analysis of the costs and benefits of mitigating potential workforce reductions in DPSS and DPH by bringing in-house currently contracted services unaffected by the actions included in the May Revise.

If you have any questions or need additional information, please contact me, or your staff may contact Kathy House, Acting Deputy Chief Executive Officer at (213) 974-4530 or khhouse@ceo.lacounty.gov.

WTF:BC:KH
DS:JB:cvb

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Public Health
Public Social Services